

Tasking Memorandum No. 98-285

Memorandum For Commanders, DCMDs

Subject: Electronic Data Interchange (EDI) Progress Payments (TASKING)

Date: Oct 1, 1998

Suspense Date:

Target Audience: District Commanders, Contract Administration Office (CAO)
Commanders, Operations Chiefs and Administrative Contracting Officers
(ACOs)

New Information:

DCMC is working with the Defense Finance and Accounting Service to develop a World Wide Web based application, Web Invoicing System (WinS), to process progress payments. This application, which we expect to deploy within a few months, will permit easy connectivity for contractors interested in Electronic Data Interchange Progress Payments.

By DCMC Tasking Memoranda 98-172 and 98-178 we initiated efforts to increase the use of EDI progress payments among larger contractors. In anticipation of the deployment of WinS we are now focusing on contractors submitting moderate to smaller volumes of progress payments. This tasking will be the first of three tasking memoranda to inform contractors of the advantages of EDI progress payments and to directly solicit their participation. This tasking requires advising contractor management of the current availability of EDI progress payments. Subsequent taskings will provide specific information about the WinS application, and then will directly solicit contractor participation.

New Tasking:

Each Contract Administration Office (CAO) Commander shall send the attached letter to the most appropriate executive officer of each contractor currently submitting progress payments. In some cases this may be the president or CEO, in other cases it will be the chief operating officer at the contractor location. However, the letters should not be sent to contractors that are already submitting EDI progress payments.

CAO commanders should include, with the letter, the brochure "Progress Payments and Electronic Data Interchange," which will be mailed to each CAO. Please contact the headquarters POC if the brochure is not received within 7 days of the date of this letter.

All letters shall be hand delivered by the ACOs within 30 days of the date of this memorandum.

Points of Contact for Further Information:

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JILL E. PETTIBONE
Executive Director
Contract Management Operations

Attachment

Dear (Corporate Officer)

The Defense Contract Management Command (DCMC) and the Defense Contract Audit Agency (DCAA), in conjunction with the Defense Finance and Accounting Service (DFAS), have developed programs that improve the efficiency of the progress, commercial invoice, and public voucher payment processes by relying more on Electronic Data Interchange (EDI). Using electronic methods expedites the receipt of Government contract payments while decreasing costs both for your company and the Government. Our records indicate that your company submits progress payment requests and is in a position to benefit from using electronic means for requesting payments. Additionally, if DCAA has approved your company for direct submission of interim public vouchers to DFAS paying offices, you may also use EDI to submit public vouchers.

Electronically submitted payment requests can be processed much faster than those submitted on paper. Under these new programs, the typical payment cycle times have been significantly reduced. Benefits of using EDI for progress payment requests also include reduced error rates and increased contractor cash flow.

Additionally, a new process will be deployed soon which will make EDI progress payments even more convenient, particularly to contractors that submit smaller numbers of progress payments. The Defense Finance and Accounting Service will, in the coming months, inaugurate a World-wide Web based application that will permit even easier submission of EDI progress payment requests; it will even perform most of the required mathematical calculations, resulting in reduced errors and therefore faster payments. We will have more information on that application as it becomes available.

The currently available EDI process has proven very effective for contractors with a significant volume of progress payments. If progress payments are a substantial portion of your DoD billings, we encourage you to consider this method. With a small investment of time and equipment, you can realize savings through EDI.

In order to provide you with more specific information on EDI progress payments, you will be contacted by the administrative contracting officer who administers contracts with your organization. I also encourage you to review the brochure enclosed with this letter, for more information about EDI progress payments. We are convinced that EDI payment methods offer significant efficiencies for your company, as well as for the Government, and we look forward to working with you on Electronic Data Interchange invoicing methods.

Sincerely,

(CAO Commander)

Attachment